

DEEP BLACK

The CIA's Secret Drug Wars

The much-publicised "War on Drugs" has been a smokescreen for CIA covert gun-running and drug-trafficking operations aimed at financing "black-budget" projects.

by David G. Guyatt ©1997

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A TRILLION-DOLLAR INDUSTRY

The illicit hard drugs industry has a turnover estimated to be well in excess of US\$1 trillion per annum. Put more simply, it is the largest industry in the world. Ongoing international measures to eradicate this industry have largely proved futile, despite the billions spent. For example, the death of Colombian drug baron Pablo Escobar at the hands of law enforcement officers and the capture of Panamanian middleman General Manuel Antonio Noriega by US forces didn't interrupt the flow of Colombian cocaine one iota. On the contrary, shipments to the US and elsewhere increased sharply in the wake of these so-called "drug-enforcement victories".

Meanwhile, information has surfaced that paints a damning picture of intelligence-agency involvement in the drugs industry. Sworn affidavits in my possession finger the US Central Intelligence Agency for engaging in narcotics and cocaine trafficking on an almost industrial scale. Some observers, meanwhile, perhaps with an element of merit, have opined that the CIA's long-term involvement with the drugs industry resulted from their support of nations that strongly adhered to the anti-communist philosophy.

Under this rubric, drug barons the world over were aided and assisted in the production, transportation and distribution of illicit drugs, and the proceeds were used to arm resistance movements. So long as there was a "red menace" to fight, those dope peddlers, large and small, who cooperated with the CIA's Cold War strategy, remained immune to prosecution. With the collapse of communism in the late 1980s, this rationale evaporated. Curious, then, that the narcotics industry has not declined along with communism. On the contrary, all the indications point to continued growth and profits.

Illicit drugs have become a self-perpetuating industry that continues to create billion-aires overnight. It is by far the most *laissez-faire* enterprise of them all, enjoying spectacular financial returns for relatively modest investment—arguably, reason enough to ensure that continuing calls to legalise some types of soft drugs remain doomed to failure at the political level. Why kill the golden goose that effortlessly lays so many golden eggs?

History increasingly suggests that the hidden reality was that it was not so much a "War on Drugs" as a "War for Drugs"—a war, moreover, aimed at winning the hearts and minds of those who live in embattled regions of the globe, while silently impoverishing, stupefying and killing those at home. The innocent, as always, are the major casualties of any war.

CIA COVERT OPERATIONS

What follows is drawn from an affidavit signed by Colonel Edward P. Cutolo; a letter written by his close friend, Paul Neri, an employee of America's huge National Security Agency; and an additional supporting affidavit signed by Private first class William Tyree, a soldier under Cutolo's command.¹ Collectively they amount to a powerful indictment of the Central Intelligence Agency and senior Pentagon officers who knowingly engaged in large-scale narcotics trafficking.

More alarming still are Cutolo's and Tyree's allegations concerning a black operation, suitably named *George Orwell*, that utilised US Special Forces to spy on well-known American politicians, members of the judiciary, law enforcement agencies, and the Catholic Church in New York and Boston. The "product" of this covert surveillance was used for the purpose of blackmail.

Colonel Cutolo was Commanding Officer of the US 10th Special Forces Group (Airborne), 1st Special Forces, stationed at Fort Devens, Massachusetts. Possessing a dis-

tinguished record as a military officer, Cutolo doubtless had seen many peculiar things and undertaken numerous classified missions. Despite this, he would rue the day, in December 1975, that he was approached by the CIA's Edwin Wilson and Frank Terpil.

The two CIA officers introduced Cutolo to two highly sensitive missions unlike anything he had undertaken previously. According to his close friends and comrades, Cutolo's later investigation into the legality of these missions would lead to his death under suspicious circumstances. Other senior military officers who investigated Cutolo's death also soon died under questionable circumstances. All of them are believed to have been murdered by Mike Harari, an alleged Israeli assassin who would come to prominence a decade later for his role in the now-infamous "Contragate" affair.

OPERATION "WATCH TOWER"

Cutolo began his sworn affidavit (dated March 11, 1980) by stating: "In December 1975, I spoke with Colonel 'Bo' Baker concerning a classified mission he commanded during that month, inside Colombia. The mission was known as *Watch Tower*." Continuing, he stated: "Following a lengthy discussion with Col. Baker, I was introduced to Mr

Edwin Wilson and Mr Frank Terpil. Both Wilson and Terpil were in the employ of the Central Intelligence Agency. Both Wilson and Terpil inquired if I was interested in working for short periods of time in Colombia, and I acknowledged that I was."

Cutolo thereafter commanded the second and third *Watch Tower* missions. The second mission took place in February 1975 and lasted a total of 22 days. The purpose of the mission was to "establish a series of three electronic beacon towers beginning outside of Bogotá, Colombia, and running northeast to the border of Panama". With the beacons in place and activated, aircraft could fix on their signal and fly undetected from Bogotá to Panama, landing at Albrook air station.



Old friends? Gen. Manuel Noriega (right) with US Army personnel in Panama City, 1987.

All told, 30 "high-performance aircraft" flew the covert route to Albrook. The aircraft were met by Panama's (then) Colonel Manuel Noriega—who would later become head of state, prior to experiencing a US invasion tasked to arrest and imprison him for laundering drug money. Accompanying Noriega were a number of officers of the Panamanian Defense Forces (PDF), plus CIA agent Edwin Wilson and Israeli agent Mike Harari. Cutolo added that Harari had the authority from the "US Army Southern Command in Panama to be in the AO [Area of Operations]". Nor did Cutolo beat around the bush in explicitly stating: "The cargo flown from Colombia into Panama was cocaine."

Cutolo continued his affidavit by outlining the third *Watch Tower* mission which he commanded. It occurred during March 1976 and lasted 29 days, safely cycling 40 cocaine-carrying aircraft through to Panama. On this occasion, members of one of his Special Action Teams (SATs), located at Turbo, Colombia, were attacked by a large gang of local bandits and were extracted by helicopters that entered Colombian airspace without authority. Cutolo added that the third mission was "met in the previously related fashion by those named—Noriega, Edwin

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Wilson, Mike Harari, et al."

William Tyree's affidavit (dated September 6, 1990) powerfully corroborates Colonel Cutolo's statements. Tyree, however, was able to provide additional direct testimony on the first *Watch Tower* mission, in which he participated. At that time he was assigned to the 1st/17th Air Cavalry Division located at Fort Bragg, North Carolina. In Tyree's own words, the mission was to "insert three Special Action Teams inside Colombia. Once the SATs were in place they would activate electronic beacons which aircraft could follow through a specific corridor out of Colombia and into Panama where the aircraft, which were loaded with cocaine, would land at Albrook Air Station." Tyree added that the

"mission lasted 24 days, and approximately 37 aircraft of various descriptions flew out of Colombia and into Panama, all following the SATs' electronic beacons."

Tyree went on to state: "I personally witnessed members of the Panamanian Defense Force (PDF) help unload the bales of cocaine from the aircraft onto the tarmac of Albrook Air Station. Among the PDF officers were Colonel Manuel Noriega, Major Roberto Diaz-Herrera, Major Liz del CID, and Major Ramirez.^[2] These men were always in the company of an American civilian identified to me by other personnel involved in the operation as Edwin Wilson, of the CIA. Another civilian in the company of Wilson, I have since learned, was Israeli Mossad Agent Michael Harari."³

Of additional interest are Tyree's comments regarding Edwin Wilson providing (presumably classified) military-style mustard-coloured files to Noriega and his fellow PDF officers. Tyree stated that the files originally belonged to the CIA, Naval

Intelligence Service (NIS) and the Defense Intelligence Agency (DIA). The information contained in the folders appeared to have come from all over the world and included: (a) coastal defences of other countries, some of which appeared to be allies of the US; and (b) written information, diagrams, naval charts and reconnaissance photos, etc. Tyree judged that the information was of a type and quality required to "institute a major naval operation anywhere in the world". Other folders related to the "US Navy and various battle groups, including number of personnel, number of aircraft, type of armaments and whether a vessel had conventional or nuclear capability".

It is impossible to say with any authority why Wilson handed over this type of sensitive information to Noriega. Panama is not famous for its navy—which, in any event, certainly does not possess the capability to project itself around the world. One can only speculate that such information was to be sold or bartered by Noriega to foreign powers, and may have constituted part-payment for assistance with the cocaine trafficking. About this aspect, we are unlikely ever to know.

OPERATION "GEORGE ORWELL"

In any event, after the *Watch Tower* missions Colonel Cutolo returned to normal duty and Tyree was later reassigned to another location and command. There the matter would have rested for evermore had not a curious sequence of events occurred two years later.

By 1978, Colonel Cutolo assumed command of the 10th Special Forces Group (Airborne) at Fort Devens, where he recognised two soldiers: Pfc William Tyree and Sergeant John Newby, both of whom had operated under his command during *Watch Tower*, and who were now assigned (in Tyree's case, reassigned) to his command.

The year 1978 also saw the return of Edwin Wilson with another deep-black covert op on offer: Operation *George Orwell*.

During a meeting with Cutolo, Edwin Wilson explained that "it was considered that Operation *Watch Tower* might be compromised and become known if politicians, judicial figures, police and religious entities were approached or received word that US troops had aided in delivering narcotics from Colombia into Panama." Based on that possibility, Cutolo formed 12 separate SATs. Their mission was to implement US Army Regulation 340-18-5 (File Number 503-05). Cutolo's authority for this action came directly from FORSCOM via Wilson.

In effect, Operation *George Orwell* was tasked with implementing intense "surveillance of politicians, judicial figures, law enforcement agencies at the state level, and of religious groups". The underlying purpose was to provide "the United States government and the Army" with advance warning, should *Watch Tower* be discovered, so they "could prepare a defense". Cutolo further stated that he "was under orders not to inform Colonel Forrest Rittgers, commanding officer of Fort Devens" of this mission. The reason was to give Colonel Rittgers a "margin of plausible deniability" in the event that Fort Devens personnel were "caught in the act of implementing surveillance".

Cutolo went on to reveal that he "instituted surveillance against

Ted Kennedy, John Kerry, Edward King, Michael Dukakis, Levin H. Campbell, Andrew A. Caffrey, Fred Johnson, Kenneth A. Chandler, Thomas P. O'Neill, to name a few of the targets." Additionally, surveillance was placed on "the Governors residences in Massachusetts, Maine, New York, and New Hampshire. The Catholic cathedrals of New York and Boston were placed under electronic surveillance also. In the area of Fort Devens, all local police and politicians were under some form of surveillance at various times." As part of the operation, Cutolo "recruited a number of local state employees who worked within the ranks of local police".

Tyree, in his sworn affidavit, confirmed what Cutolo revealed about Operation *George Orwell*, including that it was initiated under US Army Regulation Number 340-18-5 (File Number 503-05). He stated: "I was involved in ten separate surveillance missions in the New England area, all under this same operation." He added that "surveillance was instituted to monitor civilian targets to determine: (a) if Operation *Watch Tower* had been discovered; and (b) the probability that an investigation or governmental inquiry would be requested as a result of such a discovery." Tyree went on to reveal that he personally participated in surveillance against the Mayor of Lunenburg, Massachusetts, a community close to Fort Devens. A second local target was "John Droney, District Attorney, Middlesex County, Massachusetts". Tyree continued by providing detailed information about criminal wrongdoing by Droney, together with details of his sexual proclivities and indiscretions.

Moreover, Tyree additionally stated that his friend, Sergeant John Newby, had engaged in surveillance against "Senators John Kerry and Ted Kennedy". Sgt Newby also said to Tyree, just prior to his death in October 1978, that he "had been involved in some surveillance of 'some judges' in the New England area". These included "Levin H. Campbell, Andrew A. Caffrey and Fred Johnson". He then went on to reveal that Major Arnett, who was assigned to Fort Bragg, North Carolina (home of the Green Berets), had "commanded a team that allegedly maintained surveillance on Senator Jesse Helms". The connection between Kennedy, Kerry and Helms,

Tyree stated, was that "all three were critical of the US involvement in Latin America". Had they learned of *Watch Tower*, "they would undoubtedly use that information to pull the US out of Latin America, which in turn might affect the security of that area and eventually the US."

Meanwhile, Cutolo stated that Sergeant Newby "had received threats just prior to his parachuting accident that claimed his life in October 1978. It was at that time that (then) SP4 [Specialist, fourth class] Tyree began to report threatening phone calls. I saw a pattern and still believe a pattern exists."

Clearly, by this time Cutolo was fearful for his own life, too: "I gave Colonel Baker the original copy of this affidavit. I gave true copies to Hugh B. Pearce, and to Paul Neri of the National Security Agency, and instructed each person to deliver the affidavit to the authorities in the event that something occurs to me." It did.

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SUSPICIOUS DEATH TOLL

According to Paul Neri in his accompanying letter, Colonel Cutolo died in 1980 "while on a military exercise in England. Just prior to his death he notified me that he was to meet with Michael Harari, an Israeli Mossad agent. It is my belief, though unsubstantiated, that Harari murdered Col. Cutolo because of the information Col. Cutolo possessed."

Neri then revealed that in the event of Cutolo's death, he was to contact Colonel Bo Baker discreetly. In turn, Colonel Baker enlisted the aid of Colonel Nick Rowe. All three were Special Forces officers with exemplary records. The three of them thereafter set out to "prove that Harari murdered Col. Cutolo".

Colonel Nick Rowe was killed soon afterwards, on 21 April 1989. He was shot to death by automatic fire from an M16 assault rifle in Manila, the Philippines. Neri revealed that "Harari was in the Philippines for three days just prior to and after Col. Rowe's murder".

Chief Warrant Officer Hugh Pearce, who also received a copy of Cutolo's affidavit, died in June 1989 as a result of a helicopter accident. Pearce had commenced helping the others with their enquiries. Prior to his death he had directed Colonel Rowe to an address at Camp Shelby, Mississippi, and state politician Larkin Smith. Both Rowe and Pearce died prior to a scheduled meeting with Smith—both having previously agreed to "go public" and call for a "full investigation into the events described in Col. Cutolo's affidavit" following the arranged meeting. Larkin Smith died in August 1989 in an airplane accident. Others to die conveniently included Colonel Bo Baker and Colonel Robert Bayard—who was murdered in Atlanta, Georgia, in 1977, just prior to his scheduled meeting with Israeli Mossad officer David Kimche.

Clearly, protecting the big secret of Operation *Watch Tower* had assumed priority. This was in fact hinted at in Cutolo's affidavit when he earlier mentioned El Salvadoran Archbishop Romero. Cutolo stated that Romero "is in receipt of physical evidence supporting several allegations that the United States is currently, with Honduras, Costa Rica, El Salvador and Panama, covertly training and sponsoring freedom fighters attempting to overthrow the current regime in Nicaragua." Cutolo then stated that "these freedom fighters are also being supported from funds arising from Operation *Watch Tower* in part." Cutolo closed this paragraph by saying: "This information made it necessary to protect Operation *Watch Tower* and Operation *Orwell* regardless of the cost." Needless to say, he was at that time unaware that he and his closest colleagues would form part of that "cost".

But soon he would grow aware of the threat on his own life: "I have detailed pertinent events in this affidavit should something happen to me. The lug nuts have been loosened on my car tires twice in the past week. I have had someone tamper with my car and I have received telephone calls at my home where no one answered at the other end. I have seen other men involved in Operation *Watch Tower* meet accidental deaths after they were also threatened."

Cutolo simply had too much direct knowledge of Operation *Watch Tower* to survive, especially since he began having doubts about its legality.

GUNS, DRUGS AND NARCODOLLARS

Of an earlier meeting with the CIA's Edwin Wilson, Cutolo stated:

"Edwin Wilson explained that Operation *Watch Tower* had to remain secret, and gave these reasons: (1) If it becomes public knowledge it would undermine present governmental interests as well as those in the future. (2) There are similar operations being implemented elsewhere in the world. Wilson named the 'Golden Triangle' of Southeast Asia and Pakistan. Wilson stated in both areas of the world the CIA and other intelligence agencies are behind the illegal narcotics flow to support forces fighting to overthrow communist governments, or governments that are not friendly towards the United States. Wilson named several recognized officials of Pakistan, Afghanistan, Burma, Korea, Thailand and Cambodia as being aware [of] and consenting to these arrangements, similar to the ones in Panama. (3) Wilson cited the military coup in Argentina in 1976, the coup in Peru in 1978, the fall of the Somoza government in Nicaragua in 1979, and the growing civil war in El Salvador as examples of the need for operations like *Watch Tower*, as these operations funded the ongoing efforts to combat terrorism and defeat actions directed against the United States or matters involving the United States."

In any event, Wilson hadn't yet concluded his drugs lecture to Cutolo, as he went on to explain that "the profit from the sale of narcotics was laundered through a series of banks. Wilson stated that over 70% of the profits were laundered through the banks in Panama.

The remaining percentage was funneled through Swiss banks, with a small remainder being handled by banks within the United States." Cutolo added: "Wilson indicated that a large portion of the profits [is] brought into the banks of Panama without being

checked. I understood that some of the profits in Panamanian banks arrived through Israeli couriers. I became aware of that fact from normal conversations with some of the embassy personnel assigned to the embassy in Panama."

Cutolo then revealed that an associate of Wilson also "aided in overseeing the laundering of funds, which [were] then used to purchase weapons to arm various factions that the CIA saw as friendly towards the United States. The associate's name is Tom Clines." Wilson then told Cutolo that "most of Operation *Watch Tower* was implemented on the authority of Clines." Tom Clines worked under Theodore Shackley, and both of them were heavily implicated in gun-running activities during Iran-Contra—itself a notorious drugs-for-money-for-guns operation under US President Ronald Reagan and Vice-President George Bush.

In fact, Cutolo revealed later in his affidavit that the illegal activities of Mike Harari were protected by a number of US VIPs. Cutolo was told by Pentagon "contacts, off the record" that these

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VIPs included CIA Director Stansfield Turner and former Director George Bush. Both, in Cutolo's words, "shielded" Harari from "public scrutiny". The same contacts also told Cutolo that *Watch Tower* was a sanctioned mission and that "United States military authorities confirmed to me that Operation *Watch Tower* occurred, and gave their approval." Cutolo also learned that "Harari was a known middleman for matters involving the United States in Latin America", adding that the Israeli assassin "acted with the support of a network of Mossad personnel throughout Latin America and worked mainly in the import and export of arms and drugs trafficking."

Motivation in this regard is a contentious issue. Paul Neri stated his belief that Wilson, Clines and Terpil were acting without authority and for their own personal enrichment. Clearly, this was not the case. Cutolo was certain that both operations were sanctioned at the highest level. Of course, this did not hinder some of those involved with these missions from profiting on the side. The indications are that so long as "skimming" were kept at reasonable levels, no questions would be asked by those higher up the chain of command.

BLACK-BUDGET BLACKMAIL

Indeed, Cutolo's affidavit reveals an intriguing sidebar to Operation *George Orwell* that is only too believable in regard to the big bucks world of black budgets.

The surveillance product garnered by Operation *Orwell* had uses other than keeping loose mouths shut. According to Cutolo, he "was notified by Edwin Wilson that the information forwarded to Washington, DC, was disseminated to private corporations who were developing weapons systems for the Dept of Defense. Those private corporations were encouraged to use the sensitive information gathered from surveillance on US senators and representatives as leverage to manipulate those Congressmen into approving whatever costs those weapon systems incurred."

Three weapons systems were mentioned to Cutolo in this respect: "(1) An armored vehicle. (2) An aircraft that is invisible to radar. (3) A weapon system that utilizes kinetic energy." He added that he got the impression all three were for "use by NASA or for CIA purposes".

Wilson also informed Cutolo that "Operation *Orwell* would be implemented nationwide by 4 July 1980."⁴

Cutolo added that, as of the date of his affidavit (March 11, 1980), "8,400 police departments, 1,370 churches and approximately 17,900 citizens have been monitored under Operation *Orwell*. The major churches targeted have been Catholic and Latter-day Saints."

Others targeted included "suspected members of the Trilateral Commission and the Bilderberg group", including former Presidents Gerald Ford, Jimmy Carter and George Bush. Cutolo noted that he did not have personal knowledge "that Ford, Carter or Bush were under surveillance".

Anyone who took an active interest in these operations was soon to experience extreme rigor mortis. In his covering letter, Paul Neri mentioned the death of Supergun builder and "Pentagon scientist" Dr Gerald Bull, who was shot dead outside his apartment in 1990, as an example of the deadliness of Mossad officer Mike Harari.

Neri also cast dark glances at the role of President George Bush

in this whole affair, noting that Bush "knew or should have known about Operation *Watch Tower*". He then added: "With Mr Noriega no longer in power, the Bush Administration has helped install one president and two vice-presidents in Panama who will continue to launder the drug money the CIA receives from drug operations worldwide..."

Neri continued: "How much longer, and how many more will be murdered, die accidentally or be discredited through incarceration so that poppies and coca leaves can fund the secret war of the CIA? Will Latin America be the next secret CIA war, as was the case in Vietnam? And how many of our service people will die there?"

HEROIN HEROICS

Neri's allusion to Vietnam was not without meaning in terms of massive narcotics trafficking by the CIA. Colonel James "Bo" Gritz,⁵ the most decorated Special Forces officer of the Vietnam era, received a copy of Cutolo's affidavit. Some years later he would travel to Burma and meet with warlord Khun Sa, the leading producer of heroin in South-East Asia. What Gritz discovered was fully documented and recorded on video camera.

In a follow-up article Gritz's story will be covered, along with the associated story of US prisoners of war. In this case, the term "Missing in Action" has far more sinister connotations in the view of many who believe that the POWs/MIA's were used as "drug mules" by an unscrupulous CIA, engaged in its

global dope-and-guns business. Many of the names included above, will turn up again.

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Endnotes

1. Colonel Cutolo's affidavit, dated March 11, 1980 and witnessed by a notary, runs to 15 pages and 86 paragraphs. PFC William Tyree's affidavit, dated September 6, 1990 and witnessed by a notary, runs to 13 pages and 41 paragraphs. Paul Neri's accompanying five-page letter is undated and unsigned and was prepared prior to his death on 29 April 1990 from a long illness. Cutolo's affidavit and Neri's deathbed letter were forwarded by a friend who wishes to remain anonymous. The friend sent an accompanying typewritten letter consisting of one paragraph, neither signed nor dated. All documents are in this writer's possession. Copies of Cutolo's affidavit were given to Colonels A. J. "Bo" Baker, Hugh B. Pearce and James "Bo" Gritz.
2. Cutolo names the same individuals in his affidavit.
3. Extracted from the third edition of *Defrauding America* by Rodney Stich (Diablo Western Press, Inc., PO Box 5, Alamo, CA 94507, USA, 1998, p. 359).
4. My italics.
5. The major film *Rambo: First Blood*, starring Sylvester Stallone, was modelled on Colonel Bo Gritz.

About the Author:

Born in England, David Guyatt is a freelance investigative journalist whose former career in stockbroking and banking gave him the background that inspired his research into the shady world of international weapons financing, drug running and money laundering. His current research interests are focused on military/intelligence mind-control programs and non-lethal weapons systems, as well as the hidden influence of elitist groups around the globe.